

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: March 6, 1995

SUBJECT: **HB 1139 - SB 1721**

This bill, if enacted, will amend the retirement law relative to military service rendered during a time of peace. The bill will allow a member or retired member who performed peacetime military service *at any time* to establish retirement credit for the military service under the same terms and conditions as under the current peacetime military provision.

The fiscal impact from enactment of this bill is estimated to increase the pension liability of the state by approximately \$24,700,000 with an annual amortized cost of \$2,420,000 of which approximately two-thirds of the cost will be offset by member contributions leaving an annual cost to the state of \$807,000.

The fiscal impact on local governments from enactment of this bill in and of itself is estimated to be minimal since the provisions of the bill are permissive.

The fiscal impact on local governments is estimated to be an increase in expenditures to the extent local governing bodies authorize such retirement credit. A reasonable estimate of the increase cannot be determined but is estimated to exceed \$100,000 if several local governments allow such retirement credit.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director